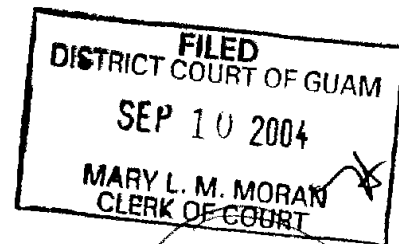


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*Attorneys for Defendant Hongkong and Shanghai Banking Corporation, Ltd.*

DISTRICT COURT OF GUAM

ALAN SADHWANI, LAJU  
SADHWANI, and K. SADHWANI'S  
INC., a Guam corporation,

Plaintiffs,

v.

HONGKONG AND SHANGHAI  
BANKING CORPORATION, LTD.,  
et al.,

Defendants.

CIVIL CASE NO. 03-00036

**DECLARATION OF RICHARD A.  
PIPES IN SUPPORT OF HSBC'S  
MEMORANDUM OF POINTS AND  
AUTHORITIES IN OPPOSITION TO  
PLAINTIFFS' MOTION TO COMPEL  
ANSWERS TO DEPOSITION  
QUESTIONS; TO RE-DEPOSE  
FREDERICK GRANILLO; FOR  
PRODUCTION OF DOCUMENTS;  
FOR SANCTIONS**

I, **RICHARD A. PIPES**, hereby declare and state as follows:

1. All matters herein are based on my own personal knowledge.
2. I am over 18 years of age, and legally competent to testify to the facts below and I

do so based upon my own personal knowledge.

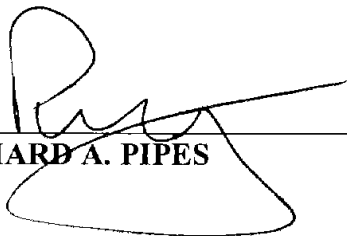
3. I am co-counsel of record for Hongkong and Shanghai Banking Corporation, Ltd., (“HSBC”), in the above-entitled matter.

4. Attached as Exhibit “1” is a true and correct copy of a letter which I forwarded on June 10, 2004, to Plaintiffs’ counsel. I never received any objection from Plaintiffs’ counsel relating to the contents of my June 10, 2004.

5. I was never aware that any attorney-client communications or other privileged matter may be in the loan files delivered by HSBC to Paradise Marine Corporation until I was informed of that by Attorney Duncan McCully through a telephone conference sometime in late February of 2004. Shortly thereafter, I went to Attorney McCully’s office to remove various documents which, on their face, came within the scope of attorney-client communications.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

**EXECUTED** this 10<sup>th</sup> day of September 2004.

  
\_\_\_\_\_  
**RICHARD A. PIPES**

Law Offices Of  
Richard A. Pipes  
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Phone-(671)646-2001, Fax-(671)647-7671  
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June 10, 2004

**VIA FACSIMILE**

Anita P. Arriola, Esq.  
Arriola, Cowan & Arriola  
259 Martyr Street, Suite 201  
Hagatna, Guam 96910

Re: *Sadhvani, et al. v. HSBC*

Dear Ms. Arriola:

I tried to phone you this morning at 9:10 a.m. but you were unavailable.

When I was at your office yesterday afternoon locating documents to be produced in accordance with the Order of May 27, 2004, I was advised by your staff that your copier machine was not working. As an alternative, they were using your facsimile machine to make copies. Even though your pleasant staff was attentive and accommodating, it was a slow process using the fax machine to make copies. I assume that your copier has not yet been repaired since it usually takes several days to get a service representative to our office for repairs.

I propose an alternative to the document production process we have been engaged in. I will remain in my office and devote my attention today and tomorrow to Request Nos. 1-7 related to PMC and Fang and make copies of the records in HSBC's possession which will be delivered to your office no later than noon on June 14. In the meantime, HSBC personnel will continue locating and copying documents specified by the Order which relate to Request Nos. 9-12 and we will be able to continue producing those documents on Monday as well.

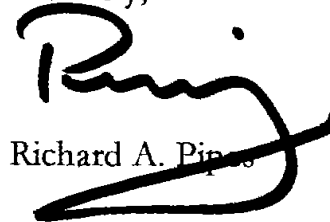
I believe that this proposal is more efficient and convenient for all concerned. Please advise as soon as possible whether this alternative is acceptable. Should you have

EXHIBIT 1

*Letter to Anita P. Arriola, Esq.  
Arriola, Cowan & Arriola  
June 10, 2004*

any questions, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Pipes", with a large, sweeping flourish extending from the end of the signature.

Richard A. Pipes

cc: Chris Underwood

*RAP/nsh/HSBC/cor*